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24TH ANNUAL REPORT

SHOPLIFTING

IN

SUPERMARKETS

BY

ROGER GRIFFIN CPP

COMMERCIAL SERVICE SYSTEMS INC.

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June 15, 1987

TO: OUR FRIENDS IN THE RETAIL INDUSTRY

This is the twenty-fourth edition of our annual report on shoplifting. This report is based on the data accumulated through the apprehension of 13,940 shoplifters in 673 supermarkets.

Approximately 94% of the cases occurred in Southern California. The remaining 6% occurred in stores in Arizona and Nevada.

The source of the data is the written report completed by the retail security agent or store employee who apprehended the shoplifter.

We are happy to share this data and ask only that users comply with the conditions stated below:

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ESTIMATING SHOPLIFTING LOSSES

1. When the retail accounting method is used, all goods delivered to a store are charged to the store at the retail selling price.

2. At the end of the inventory period, the value of all goods delivered to the store during that period is totaled. This provides total number one.

3. The goods in the store at the end of the inventory period are physically counted and costed out. To the value of the merchandise left in the store is added the total sales for the period, total spoils and breakage, the total of markdowns and any other known loss factor. This provides total number two.

4. The difference between total one and total two represents either an inventory gain or an inventory loss (shrink).

5. The amount of loss to retail business due to shoplifting is difficult to assess because several factors contribute to total inventory shrink. Those factors include:

SHOPLIFTING	EMPLOYEE THEFT
VENDOR THEFT	EMPLOYEE UNDERCHARGE ERRORS
INVENTORY ERRORS	ACCOUNTING ERRORS

ETC.

6. It is impossible to know to what extent each factor contributes to total shrink. We offer the following method of estimating the importance of the shoplifting factor in the equation.

SUPERMARKET

Average Value of Merchandise Recovered Per Apprehension	Estimated Number of Incidents Per Store Per Day	Operating Days Per Year	Yearly Loss Per Store
$11.60	1	363	$ 4,210.80
$11.60	2	363	$ 8,421.60
$11.60	3	363	$12,632.40
$11.60	4	363	$16,843.20
$11.60	5	363	$21,054.00
$11.60	6	363	$25,264.80
$11.60	7	363	$29,475.60
$11.60	8	363	$33,686.40
$11.60	9	363	$37,897.20
$11.60	10	363	$42,108.00

ESTIMATING SHOPLIFTING LOSSES

A FORMULA FOR INDIVIDUAL RETAILERS

Please indicate the percentage of total inventory shrink which you believe the following factors contribute:

1.	Shoplifting	_____ %
2.	Employee Theft	_____ %
3.	Vendor Theft	_____ %
*4.	Good Faith Cashier Undercharge	_____ %
5.	Inventory-Accounting Errors	_____ %
6.	Other	_____ %
		100 %

7. Multiply your total yearly inventory shrink by the percentage you attribute to shoplifting:

_____	X	_____	=	$_____
Total Inventory Shrink in Dollars		% Attributed to Shoplifting		Estimated Loss

8. Fill in the factors which you think apply to your company and multiply:

_____	X	_____	X	_____	X	_____	=
Average Theft		Number of Shoplifters per Store per Day		Number of Operating Days		Number of Stores	

$_____
ESTIMATED SHOPLIFTING LOSS

9. The following example pertains to a 100 store company open 363 days per year which believes that each of its stores is victimized by shoplifters an average of 8 times per day:

$11.60	X	8	X	363	X	100	=
Average Theft		Number of Shoplifters per Store per Day		Number of Operating Days		Number of Stores	

$ 3,368,640
ESTIMATED SHOPLIFTING LOSS

10. Compare estimated loss in paragraph 7 with estimated loss in paragraph 8.

*Studies in good faith cashier overcharge and undercharge errors indicate a net error in favor of the customer.

ESTIMATED SHOPLIFTING LOSSES

U.S. Grocery Stores

The April 1986 issue of Progressive Grocer Magazine shows the following count of grocery stores:

Supermarkets	30,505
Convenience Stores	45,400
Other Stores	78,095
	154,000

In 1986, the average value of the merchandise recovered each time a supermarket shoplifter was apprehended was $11.60. (Up from $10.99 in 1985).

By applying the following formula, we can estimate the yearly shoplifting loss in supermarkets.

$11.60	X	8	X	363	X	30,505	=
Average Shoplifting Theft		Estimated No. Incidents per Store per Day		Number of Operating Days per Year		Number of Supermarkets in U.S. 1986	

$1,027,603,632
Total Shoplifting Losses U.S. Supermarkets

If we estimate that the 45,400 convenience stores and the 78,095 other grocery stores in the U.S. are victimized only half as often as supermarkets and that the shoplifter steals only half as much per theft in those stores, we can use the same formula to estimate the total loss to shoplifters in all grocery stores:

Supermarkets	$1,027,603,632
Convenience Stores	$ 382,340,640
All Other Grocery Stores	$ 657,684,852

$2,067,629,124
Total Shoplifting Losses All U.S. Grocery Stores

AVERAGE NUMBER OF ITEMS RECOVERED

PER APPREHENSION

Total Cases	3.2
Total Adults	3.4
Adult Males	2.9
Adult Females	4.0
Total Juveniles	2.7
Total Male Juveniles	2.3
Total Female Juveniles	3.3

AVERAGE VALUE OF MERCHANDISE RECOVERED

PER APPREHENSION

Total Cases	$11.60
Total Adults	$12.95
Adult Males	$12.43
Adult Females	$13.65
Total Juveniles	$7.62
Total Male Juveniles	$6.51
Total Female Juveniles	$9.28

NUMBER OF CASES IN WHICH

1 TO 25 ITEMS WERE RECOVERED

Number of Items	Number of Cases	Percent
1	5348	38.4%
2	3090	22.2%
3	1613	11.6%
4	1206	8.7%
5	671	4.8%
6	507	3.6%
7	304	2.2%
8	285	2.0%
9	192	1.4%
10	142	1.0%
11	100	.72%
12	90	.64%
13	62	.44%
14	53	.38%
15	47	.34%
16	33	.24%
17	24	.17%
18	19	.14%
19	28	.20%
20	20	.14%
21	16	.11%
22	10	.07%
23	9	.06%
24	7	.05%
25	8	.06%
26	8	.06%
27	4	.03%
28	2	.01%
29	3	.02%
30	5	.03%
Other	34	.24%

VALUE RANGE

MERCHANDISE RECOVERED

CASES WITHIN EACH VALUE RANGE

	Number of Cases	Percent
Under 50¢	588	4.2%
50¢ - $ 1	458	3.3%
$ 1 - $ 5	5590	40.1%
$ 5 - $10	3096	22.2%
$10 - $25	2719	19.5%
$25 - $50	1033	7.4%
$50 - $75	218	1.6%
$75 - $100	96	.69%
$100 - $150	84	.60%
$150 - $200	27	.19%
Over $200	31	.22%

SHOPLIFTERS REFERRED TO POLICE

Total Cases	34.2%
Total Adults	36.8%
Adult Males	38.7%
Adult Females	34.3%
Total Juveniles	26.5%
Male Juveniles	25.7%
Female Juveniles	27.8%

SEX OF SHOPLIFTERS

	Male	Female
Total Cases	58.3%	41.6%
Adults	57.8%	42.1%
Juveniles	60.0%	39.9%

DAY APPREHENSION OCCURRED

	Mon.	Tues.	Wed.	Thur.	Fri.	Sat.	Sun.
Total Cases	14.6%	15.2%	15.6%	15.1%	15.2%	11.4%	12.4%
Total Adults	14.3%	15.1%	15.8%	15.0%	14.8%	11.8%	12.8
Adult Males	13.5%	14.7%	15.3%	15.3%	14.5%	12.6%	13.8%
Adult Females	15.4%	15.7%	16.4%	14.6%	15.3%	10.9%	11.4%
Total Juveniles	15.6%	15.5%	15.0%	15.5%	16.3%	10.2%	11.5%
Male Juveniles	15.0%	14.3%	15.4%	15.9%	16.1%	10.6%	12.3%
Female Juveniles	16.6%	17.3%	14.5%	14.9%	16.7%	9.6%	10.1%

TIME OF DAY APPREHENSION OCCURRED

	Before Noon	12-3 PM	3-6 PM	6-9 PM	9 PM Midnight
Total Cases	10.3%	27.6%	34.8%	22.2%	4.3%
Total Adults	10.8%	28.5%	33.0%	22.4%	4.4%
Adults Males	11.7%	26.4%	31.2%	24.6%	5.1%
Adult Females	9.5%	31.4%	35.5%	19.5%	3.4%
Total Juveniles	8.8%	25.0%	39.9%	21.6%	3.9%
Male Juveniles	9.2%	25.3%	38.0%	22.0%	4.6%
Female Juveniles	8.1%	24.6%	42.8%	21.0%	2.9%

AGE OF SHOPLIFTER

Under 12	3.8%	*17.2%
12 - 17	13.7%	*9.3%
18 - 29	36.2%	*21.4%
30 - 39	22.5%	*15.4%
40 - 49	9.5%	*10.7%
50 - 59	6.0%	*9.5%
Over 60	8.0%	*16.7%

* Size of the age group within the general population.

VALUE OF MERCHANDISE RECOVERED

TOTAL VALUE

CIGARETTES AS PERCENTAGE OF TOTAL

Total Value of Merchandise Recovered	$161,706
Value of Cigarettes Recovered	$ 49,049
Cigarettes as Percentage of Total	30.3%

CIGARETTES RECOVERED

Percentage of cases in which one or more cigarettes items were recovered

Year	Percent
1986	20.6%
1985	15.9%
1984	19.1%
1983	16.2%
1982	11.1%
1981	8.5%
1980	7.6%
1979	5.2%
1978	4.8%
1977	4.1%
1976	3.9%
1975	3.9%
1974	4.1%

MONTH APPREHENSION OCCURRED

	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Total Cases	9.1%	9.4%	10.8%	10.8%	9.4%	8.9%	7.7%	6.8%	6.3%	6.6%	7.4%	6.7%
Total Adults	9.0%	9.5%	11.3%	10.8%	9.3%	8.6%	7.5%	6.6%	6.5%	6.5%	7.5%	6.8%
Adult Males	9.4%	9.8%	12.0%	10.6%	8.9%	8.4%	7.5%	6.4%	6.4%	6.0%	7.7%	6.7%
Adult Females	8.5%	9.1%	10.2%	10.8%	9.9%	8.9%	7.5%	6.9%	6.7%	7.2%	7.2%	7.0%
Total Juveniles	9.2%	9.2%	9.5%	10.9%	10.0%	10.0%	8.2%	7.3%	5.6%	6.8%	7.1%	6.1%
Male Juveniles	10.1%	9.5%	9.2%	11.0%	10.2%	9.3%	7.9%	7.2%	5.6%	7.1%	6.9%	6.0%
Female Juveniles	8.1%	8.7%	9.8%	10.8%	9.6%	11.0%	8.7%	7.6%	5.5%	6.4%	7.5%	6.2%

CIGARETTES RECOVERED

SUPERMARKETS

1982 - 1986

COMPANY	PERCENTAGE OF CASES IN WHICH ONE OR MORE CIGARETTE ITEMS WERE RECOVERED					PERCENTAGE OF TOTAL VALUE OF MERCHANDISE RECOVERED WHICH WAS CIGARETTES				
	1982	1983	1984	1985	1986	1982	1983	1984	1985	1986
A	11.4%	24.0%	23.7%	25.7%	28.1%	10.8%	28.5%	31.3%	35.7%	40.1%
B	8.8%	11.4%	15.4%	15.6%	11.2%	10.5%	24.1%	22.2%	25.8%	21.0%
C	6.6%	10.3%	14.7%	-	9.0%	12.5%	25.4%	32.4%	-	22.2%
D	14.6%	21.7%	26.6%	29.6%	29.3%	13.5%	23.6%	29.4%	36.0%	38.4%
E	11.2%	22.0%	26.8%	24.3%	33.1%	3.4%	22.6%	20.8%	22.0%	38.3%
F	17.4%	21.0%	29.7%	33.4%	47.5%	8.6%	11.0%	21.1%	25.2%	49.6%
G	19.5%	34.7%	32.3%	35.8%	28.6%	8.5%	31.3%	26.4%	22.6%	18.5%
H	7.2%	13.1%	11.1%	5.6%	4.7%	9.7%	17.7%	17.9%	8.7%	9.0%

CATEGORIES OF RECOVERED MERCHANDISE

Indicates the percentage of cases in which one or more items within the indicated categories were recovered

	Fresh Meat	Deli	Other Food	Liquor	Cigarettes	Vitamins	Health & Beauty	Clothing	Other Non-Food
Total Cases	10.3%	7.6%	19.3%	7.9%	20.6%	.7%	10.4%	1.6%	40.0%
Total Adults	12.6%	8.6%	18.2%	8.8%	22.5%	.8%	11.5%	1.6%	36.6%
Adult Males	12.5%	8.1%	14.8%	11.5%	25.6%	.7%	9.7%	.8%	29.6%
Adult Females	12.6%	9.3%	22.9%	5.1%	18.3%	1.0%	14.0%	2.8%	46.2
Total Juveniles	3.6%	4.5%	22.5%	5.0%	15.0%	.3%	7.2%	1.6%	50.0%
Male Juveniles	3.5%	4.4%	23.3%	6.5%	16.9%	.2%	5.5%	.8%	45.1%
Female Juveniles	3.6%	4.6%	21.4%	2.8%	12.0%	.3%	9.7%	2.6%	57.2%

METHODS OF CONCEALMENT

Indicates primary method of concealment reported

	Purse	Shopping Bag	Other Bag	Pocket	Label Switcher	Accomplice	Under Clothing	Other Method
Total Cases	28.8%	1.6%	3.2%	25.6%	.5%	3.4%	30.0%	6.3%
Total Adults	31.4%	1.7%	3.0%	25.2%	.6%	2.7%	28.9%	5.9%
Adult Males	1.5%	1.8%	2.3%	38.6%	.5%	2.8%	44.7%	7.0%
Adult Females	72.5%	1.6%	3.9%	6.7%	.6%	2.4%	7.3%	4.4%
Total Juveniles	20.9%	1.3%	3.8%	27.1%	.2%	5.5%	33.0%	7.4%
Male Juveniles	.7%	1.4%	3.7%	35.1%	.2%	4.6%	45.5%	8.1%
Female Juveniles	51.2%	1.2%	3.9%	15.1%	.2%	7.0%	14.4%	6.4%

SUPERMARKET SHOPLIFTING DATA 1975 - 1986

YEAR AND NUMBER OF CASES	PERCENT OF ADULTS PROSECUTED	PERCENT OF JUVENILES TO POLICE	DAY WHEN MOST SHOPLIFTERS WERE CAUGHT	MONTH WHEN MOST SHOPLIFTERS WERE CAUGHT	TIME PERIOD WHEN MOST SHOPLIFTERS WERE CAUGHT	AGE GROUP MOST OFTEN APPREHENDED	PERCENT OF SHOPLIFTERS UNDER THIRTY YEARS OLD	RATIO OF ADULT MALE-FEMALE APPREHENSIONS	PERCENT CONCEALED IN POCKET-PURSE OR UNDER CLOTHING	AVERAGE NUMBER OF ARTICLES RECOVERED	AVERAGE VALUE OF MERCHANDISE RECOVERED
1986 13,940	36.8%	26.5%	WED.	MAR. APR.	3-6 PM	18-29	53.7%	58.3% M 41.6% F	84.4%	3.1	$11.60
1985 15,104	33.8%	24.6%	FRI.	OCT.	3-6 PM	18-29	57.7%	56.3% M 43.6% F	82.5%	3.1	$10.99
1984 17,648	38.7%	29.3%	FRI.	JAN.	3-6 PM	18-29	57.9%	58.3% M 41.6% F	80.6%	3.3	$11.97
1983 19,773	36.8%	27.9%	THURS.	MAR. APR.	3-6 PM	18-29	61.5%	59.0% M 40.9% F	80.8%	3.1	$11.61
1982 17,653	39.9%	30.8%	THURS.	JULY	3-6 PM	18-29	64.0%	57.5% M 42.4% F	80.7%	3.1	$10.77
1981 14,285	41.9%	34.1%	TUES.	OCT.	3-6 PM	18-29	64.9%	54.7% M 45.2% F	80.0%	3.2	$10.06
1980 11,484	37.6%	32.1%	MON. TUES.	OCT.	3-6 PM	18-29	63.9%	49.0% M 50.9% F	79.3%	3.2	$8.69
1979 14,720	34.1%	24.7%	MON. TUES.	MAR.	3-6 PM	18-29	62.8%	55.3% M 43.6% F	78.0%	3.1	$7.37
1978 17,326	33.0%	21.7%	WED.	APR.	3-6 PM	18-29	70.6%	54.9% M 44.3% F	78.4%	3.2	$6.39
1977 16,255	35.3%	24.7%	FRI. MON.	MAY	3-6 PM	18-29	70.2%	52.6% M 47.3% F	80.6%	3.2	$5.99
1976 16,100	35.7%	24.9%	THURS.	MAR.	3-6 PM	18-29	71.6%	51.4% M 48.6% F	81.3%	3.2	$5.90
1975 18,303	37.3%	24.1%	WED.	JAN.	3-6 PM	18-29	71.2%	54.2% M 45.7% F	81.1%	3.0	$4.91

This report is based on apprehensions. The number of apprehensions is not necessarily an indication of the amount of shoplifting which takes place.

The number of apprehensions is much more an indication of the intensity and quality of the effort to discover and apprehend.

COMMERCIAL SERVICE SYSTEMS INC.

Commercial Service Systems, Inc. is an investigative company which specializes in retail security systems for the control of losses due to **dishonest** and **inefficient personnel** and **shoplifting.** The company was incorporated in 1946. Executive offices are located in Van Nuys, California.

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